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Experiences with Privatization
First session
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Agenda item 6

DRAFT REPORT OF THE AD HOC WORKING GROUP ON COMPARATIVE EXPERIENCES WITH PRIVATIZATION ON ITS FIRST SESSION

Held at the Palais des Nations, Geneva,
from 30 November to 4 December 1992

Rapporteur: Mr. Herbert Dzvimbo (Zimbabwe)

CONTENTS

Chapter		Paragraphs
	Introduction	1 - 9
I.	Establishment of the work programme of the Working Group (agenda item 3)	10 - 11
II.	Organizational matters	12 - 14

Annex: Membership and attendance
(to be completed in the final report)

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INTRODUCTION

1. The Ad Hoc Working Group on Comparative Experiences with Privatization, established in accordance with paragraph 79 of the Cartagena Commitment, held its first session at the Palais des Nations, Geneva, from 30 November to 4 December 1992 */. In the course of the session, the Working Group held ..... plenary meetings.

Opening statements

2. The Deputy Secretary-General of UNCTAD, setting the Working Group in the context of the new orientations of UNCTAD, recalled that UNCTAD VIII had resulted in fundamental changes in methods of work while continuing to address the essential development themes. The in-depth analysis and exchange of experience of different countries should lead to the identification of problems and the appropriate solutions. Such analysis, experience and identification must of course lead to recommendations or guidelines addressed to Governments or other international organizations. The Cartagena Commitment had, as a fundamental tenet, the interdependence of national policies and the international development environment, and the key word in the Commitment was "partnership".

3. He recalled that the Ad Hoc Working Groups had been established by the Conference for a period of two years so that they could deal with issues of current importance. In the matter of privatization, the experiences of

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*/ For the terms of reference of the Ad Hoc Working Group, see Trade and Development Board decision 398 (XXXVIII), annex C.

countries varied greatly. The note by the secretariat on this subject (TD/B/WG.3/2) raised a number of basic questions in a desire to stimulate discussion in the Working Group. However, it was for the delegations themselves to identify those issues on which they wished to concentrate their attention, particularly in the short time available. Among the questions and aspects which came to mind were the following: why privatize? What role does the State play in promoting a favourable environment for privatization? What experience had countries had with the techniques and financing of privatization? What were the legal aspects? And finally, what was the impact of privatization initiatives: did they attain their economic objectives and what were the social effects?

4. He hoped that the exchange of views could lead the Working Group to consider a plan or reference framework for privatization. He was well aware that national experiences were very diverse, as were the approaches adopted, but it could be useful to identify and study the basic stages in the process of privatization, whatever the individual circumstances might be. It would be interesting to consider the choice of enterprises for privatization, the support measures involved and the provisions made for the people affected. It might be possible for such work to lead to the elaboration of a strategy that would make it possible to deal with privatization in a less ad hoc manner. Moreover, such a framework would make it easier to evaluate the success of privatization initiatives. The secretariat could assist in the analytical process but it would be for government representatives to draw the appropriate conclusions. In so doing, they would also need to consider what technical assistance might be provided by the secretariat.

5. The Chief of the Privatization and Enterprise Development Unit, Development Strategies Division, said that the issues paper (TD/B/WG.3/2) reflected the wide scope of the terms of reference of the Working Group. This Working Group was particularly suited to undertake a review and comparison of country experiences, in order to draw lessons and insights from the objectives pursued, the techniques used, the results achieved and particular problems encountered in the area of privatization in different parts of the world. In so doing, it could help to contribute to country efforts to achieve a more effective design and implementation of privatization programmes. Such comparisons could take the form of the preparation and presentation of country studies by national experts, as well as the presentation of privatization plans. They could be complemented by the consideration of particular practical topics or issues, with the aid of inputs provided by national and international experts, governmental and non-governmental actors.

6. The secretariat could prepare cross-country analyses and syntheses, drawing on the country studies and other sources. Thus the Working Group would serve as a forum for a mutually beneficial exchange of privatization experiences and results, while also addressing a number of practical problems and policy issues arising from country experiences with privatization, and discussing possible approaches or solutions to them, taking into account the diversity of country situations.

7. The representative of the United Nations Development Programme (UNDP) said that, if tangible results were to emerge from the brief two-year life-span of the Working Group, it would be necessary to be selective in approaching the wide range of topics outlined in the secretariat note. He

therefore urged the Working Group to select those topics that were most relevant to the remit of UNCTAD in the area of trade and development. Finally, he commended the efforts that UNCTAD was making on the subject of privatization, which might well lead to useful results, especially if there were adequate cooperation with other organizations.

8. The representative of Tunisia said that many countries had experienced various problems in the implementation of privatization programmes. He suggested that the Working Group should give due attention to these difficulties in its work programme. Furthermore, he enquired about the format in which national experiences of individual countries would be presented to the Working Group.

9. The representative of Colombia said that the future work of the Working Group should be based on the experiences which countries had had with privatization. The issues note by the secretariat raised a number of substantive questions and provided a conceptual framework for the debate which should lead to a preliminary overview of the subject to be dealt with by the Working Group over the next two years. It was very important for the Working Group to begin to tackle these questions at the current session, and he hoped that the Group would as of now focus its efforts on the substantive rather than the organizational aspects of its work.

Chapter I

ESTABLISHMENT OF THE WORK PROGRAMME OF THE WORKING GROUP

(Agenda item 3)

10. For its consideration of this item, the Ad Hoc Working Group had before it the following document:

"Issues for consideration in the establishment of the work programme" - note by the UNCTAD secretariat (TD/B/WG.3/2).

11. At its 1st plenary meeting, on 30 November 1992, the Working Group decided to discuss agenda item 3 in informal meetings.

[To be completed as appropriate]

Chapter II

ORGANIZATIONAL MATTERS

A. Opening of the session

12. The first session of the Ad Hoc Working Group was opened on 30 November 1992 by the Deputy Secretary-General of UNCTAD, who made an introductory statement (see paras. 2 et seq.).

B. Election of officers

(Agenda item 1)

13. At its 1st meeting, on 30 November 1992, the Ad hoc Working Group elected its officers as follows: */

Chairman:	Mr. Bror Wahlroos	(Finland)
Vice-Chairmen:	Ms. Taous Feroukhi	(Algeria)
	Mr. Ricardo Avila	(Colombia)
	Mr. Thomas Janicki	(Germany)
	Ms. Urszula Calka-Jendroszczyk	(Poland)
	Ms. Panada Thurkhao	(Thailand)
Rapporteur:	Mr. Herbert Dzvimbo	(Zimbabwe)

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*/ In accordance with the decision taken by the Trade and Development Board at the first part of its thirty-ninth session, the officers elected at the first session of the Ad Hoc Working Group are to remain in office for the duration of the life of the Working Group.

C. Adoption of the agenda and organization of work

(Agenda item 2)

14. At the same meeting, the Working Group adopted the provisional agenda circulated by the UNCTAD secretariat (TD/B/WG.3/1). The agenda for the first session therefore read as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Establishment of the work programme of the Working Group
4. Provisional agenda for the second session of the Working Group
5. Other business
6. Adoption of the report of the Working Group to the Board.

D. Provisional agenda for the second session of the Working Group

(Agenda item 4)

[To be completed]

E. Adoption of the report of the Working Group to the Board

[To be completed]